

3671700

Oxxon Therapeutics Limited

Report and Financial Statements

31 May 2005

ERNST & YOUNG



Oxxon Therapeutics Limited

Registered No: 3671700

Directors

Dr D Gillespie
Dr R Brimblecombe
Dr A Williamson
Mr N Cross
Mr I Wilcock
Mr J Garner
Prof A Hill (appointed 1 September 2004)
Dr J Brown
Dr M Murphy
Mr P Alcock (resigned 30 June 2004)

Secretary

WCPHD Secretaries Limited

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Bankers

Barclays Bank plc
PO Box 858
Oxford
OX2 0XP

Registered office

2nd Floor, Park Gate
25 Milton Park
Oxford
OX14 4SH

Directors' report

The directors present their report and financial statements for the year ended 31 May 2005.

Results and dividends

The loss for the year amounted to £5,569,570 (2004: £3,152,344). The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was the development of innovative immunotherapeutics (therapeutic vaccines, pharmaccines) for the treatment of chronic infectious diseases and cancer. Two products are in early Phase II trials, one for skin cancer and one for chronic hepatitis B infection.

The company seeks to comply with the Bioindustry Association Code of Best Practice and the Board considers that the company has applied the principles of the code throughout the year.

Future developments

The company expects to continue its principal activity for the foreseeable future.

Research and development

The company is conducting extensive research and development into a novel approach to treating various diseases.

Directors and their interests

The directors at 31 May 2005 and their interests in the share capital of the parent company were as follows:

| | <i>Class of share</i> | <i>At 1 June 2004</i> |
|--|---------------------------|-----------------------|
| Dr D Gillespie | | — |
| Dr R Brimblecombe | | — |
| Dr A Williamson | | — |
| Mr N Cross | A Ordinary Shares | 312,500 |
| Mr I Wilcock | | — |
| Mr J Garner | | — |
| Prof A Hill (appointed 1 September 2004) | | — |
| Dr J Brown | | — |
| Dr M Murphy | | — |
| Mr P Alcock (resigned 30 June 2004) | | — |

No director held any interest in the shares of the company as at 31 May 2005.

Directors' report

The following directors had options to acquire Ordinary shares.

| | 2005 No. | 2004 No. |
|-------------------|-------------|-------------|
| Dr R Brimblecombe | - | 9,000 |
| Dr A Williamson | - | 6,000 |
| Dr D Gillespie | - | 275,000 |
| Dr J Brown | - | - |

The Board committee responsibilities of the non-executive directors at 31 May 2005 were as follows:

| | |
|---------------------------|---|
| Dr R Brimblecombe (Chair) | Chair, Remuneration Committee & Nomination Committee |
| Mr N Cross | Chair, Audit Committee |
| Mr J Garner | Member, Remuneration Committee & Nomination Committee |
| Dr M Murphy | Member, Remuneration Committee & Audit Committee |
| Mr I Wilcock | Member, Audit Committee & Nomination Committee |

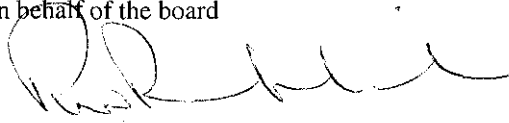
Charitable donations

During the year, the company made charitable contributions totalling £500 to Prof Geoffrey Smith (Imperial College London) towards the cost of the XVth International Poxvirus and Iridovirus Conference.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Dr R Brimblecombe
Director

Date

5 Nov 2005

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Oxxon Therapeutics Limited

We have audited the company's financial statements for the year ended 31 May 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Oxxon Therapeutics Limited

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the directors' efforts to raise additional funding which will be necessary in order for the company to continue as a going concern. In view of the significance of the fact that the preparation of financial statements on the going concern basis assumes that these efforts will be successful in raising the additional funding, we consider these disclosures should be brought to your attention. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Apex Plaza
Forbury Road
Reading
RG1 1YE

Date *7 November 2005*

Profit and loss account

for the year ended 31 May 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|-------------|-------------|
| Turnover | 2 | - | 113,339 |
| Cost of sales | | - | 93,339 |
| Gross profit | | - | 20,000 |
| Administrative expenses | | 4,049,832 | 2,679,630 |
| Research and development expenses | | 2,438,354 | 1,371,817 |
| Operating loss | 3 | (6,488,186) | (4,031,447) |
| Bank interest receivable | 6 | 395,316 | 476,159 |
| Loss on ordinary activities before taxation | | (6,092,870) | (3,555,288) |
| Tax on loss on ordinary activities | 7 | 523,300 | 402,944 |
| Loss for the financial year | | (5,569,570) | (3,152,344) |

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £5,569,570 attributable to the shareholders for the year ended 31 May 2005 (2004: loss of £3,152,344).

Balance sheet

at 31 May 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|------------------|-------------------|
| Fixed assets | | | |
| Investments | 8 | - | 1 |
| Tangible assets | 9 | 376,252 | 629,702 |
| | | <u>376,252</u> | <u>629,703</u> |
| Current assets | | | |
| Debtors | 10 | 1,852,737 | 963,061 |
| Cash at bank | | 5,863,941 | 11,164,181 |
| | | <u>7,716,679</u> | <u>12,127,242</u> |
| Creditors: amounts falling due within one year | 11 | 1,907,225 | 1,001,669 |
| | | <u>5,809,453</u> | <u>11,125,573</u> |
| Net current assets | | | |
| | | <u>6,185,705</u> | <u>11,755,275</u> |
| Total assets less current liabilities | | | |
| | | <u>6,185,705</u> | <u>11,755,275</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 70,427 | 70,427 |
| Share premium account | 16 | 20,932,978 | 20,932,978 |
| Profit and loss account | 16 | (14,817,700) | (9,248,130) |
| Equity shareholders' funds | 16 | <u>6,185,705</u> | <u>11,755,275</u> |

ERNST & YOUNG

Director

Date



15 Nov 2005

Notes to the financial statements

at 31 May 2005

1. Accounting policies

Basis of preparation and fundamental accounting concept

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

In common with other companies whose principal activity is pharmaceutical and bioscience research and development, Oxxon Therapeutics' funds its pre-commercialisation activities from raising equity finance and entering into corporate partnering and similar arrangements. Cash flow forecasts show that the company will require additional funding within the next twelve months of the date of signing these accounts.

The directors are investigating various options for raising finance with shareholders and 3rd parties with a view to meeting the company's funding requirements for at least the twelve months following the date of signing these financial statements.

The directors are confident that these efforts to raise the required additional funding will be successful and, therefore, they believe that it is appropriate to prepare the financial statements on a going concern basis.

The outcome of these efforts will not be known until after the date of signing these accounts. An unsuccessful outcome to these efforts could result in the company ceasing to function as a going concern and in a fundamental change to the future operations of the company. If these efforts are unsuccessful, the going concern basis could cease to be appropriate necessitating additional provisions against assets and/or additional costs. Such provisions and costs cannot be quantified.

Consolidated financial statements

The financial statements contain information about Oxxon Therapeutics Limited as an individual company and do not contain consolidated information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset, evenly over its expected useful life, as follows:

| | |
|--------------------|---------|
| Leasehold Property | 20% |
| Plant & Machinery | 25%-50% |

The directors have implemented a change in the estimation method used to calculate depreciation of plant and machinery. In previous periods, the range over which the cost of assets was written off annually was 25% - 33%.

Notes to the financial statements

at 31 May 2005

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating lease agreements

Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term.

Pension costs

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Foreign Currency Translation

Transactions entered into in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities outstanding at the year end are retranslated at the year end rate.

Notes to the financial statements

at 31 May 2005

2. Turnover

Turnover, which is stated net of value added tax, relates to revenue from collaborative research agreements and is spread on a contract by contract basis based upon the costs incurred to date as a proportion of the total expected research and development cost.

Turnover is attributable to the one continuing activity of the company.

An analysis of turnover by geographical market is given below:

| | 2005 £ | 2004 £ |
|----------------|-----------|-----------|
| United Kingdom | - | 113,339 |

3. Operating loss

This is stated after charging:

| | 2005 £ | 2004 £ |
|--|------------------|------------------|
| Auditors' remuneration - audit services | 10,500 | 7,500 |
| - non-audit services | 1,500 | 4,000 |
| | <u>12,000</u> | <u>11,500</u> |
| Research and development expenditure written off | <u>2,438,354</u> | <u>1,371,817</u> |
| Depreciation of owned fixed assets | <u>278,698</u> | <u>126,870</u> |
| Operating lease rentals - land and buildings 2 – 5 years | <u>206,385</u> | <u>178,482</u> |
| (Gain)/Loss on foreign currency exchange | <u>(539)</u> | <u>8,711</u> |

4. Staff costs

| | 2005 £ | 2004 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,107,926 | 1,066,130 |
| Social security costs | 116,669 | 109,584 |
| Other pension costs | 40,235 | 41,058 |
| | <u>1,264,830</u> | <u>1,216,772</u> |

The monthly average number of employees during the year was as follows:

| | 2005 No. | 2004 No. |
|--------------------------------|-------------|-------------|
| Administrative staff | 8 | 6 |
| Research and Development staff | 25 | 18 |
| | <u>33</u> | <u>24</u> |

Notes to the financial statements

at 31 May 2005

5. Directors' emoluments

| | 2005 £ | 2004 £ |
|--|------------|------------|
| Emoluments | 397,016 | 266,484 |
| Company contributions paid to money purchase pension schemes | 10,661 | 10,360 |
| | <i>No.</i> | <i>No.</i> |
| Number of directors to whom retirement benefits are accruing under a money purchase pension scheme | 1 | 1 |

The amounts in respect of the highest paid director are as follows:

| | 2005 £ | 2004 £ |
|--|-----------|-----------|
| Emoluments | 236,016 | 231,301 |
| Company contributions paid to money purchase pension schemes | 10,661 | 10,360 |

6. Interest receivable

| | 2005 £ | 2004 £ |
|--------------------------|-----------|-----------|
| Bank interest receivable | 395,316 | 476,159 |

7. Tax

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| <i>Current tax:</i> | | |
| UK corporation tax | (523,300) | (411,407) |
| Tax under/(over) provided in previous years | - | 8,463 |
| Total current tax (note 7(b)) | (523,300) | (402,944) |

Notes to the financial statements

at 31 May 2005

7. Tax (continued)

(b) Factors affecting current tax charge

The tax credit on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are reconciled below:

| | 2005 £ | 2004 £ |
|---|-------------------------|-------------------------|
| | <u>(6,092,870)</u> | <u>(3,555,288)</u> |
| Profit/(loss) on ordinary activities at rate of tax | (1,827,861) | (1,066,586) |
| Disallowed expenses and non-taxable income | (501,536) | (311,051) |
| Depreciation in excess of capital allowances | 69,740 | (76,400) |
| Adjustment in respect of previous periods | - | 8,463 |
| Tax losses | 2,259,658 | 1,452,303 |
| Other timing differences | <u>(523,301)</u> | <u>(409,671)</u> |
| Total current tax (note 7(a)) | <u><u>(523,300)</u></u> | <u><u>(402,944)</u></u> |

(c) Deferred tax

The deferred taxation asset not recognised in the accounts is as follows:

| | 2005 £ | 2004 £ |
|---|-------------------------|-------------------------|
| Capital allowances in advance of depreciation | (90,235) | (112,252) |
| Tax losses available | 3,493,755 | 2,408,254 |
| Other timing differences | - | - |
| | <u><u>3,387,187</u></u> | <u><u>2,296,002</u></u> |

The deferred tax asset has not been recognised in the financial statements due to uncertainty over the availability of suitable future taxable profits. It will be recognised when the company produces suitable taxable profits against which the asset can reverse.

Notes to the financial statements

at 31 May 2005

8. Investments

| | £ |
|----------------|---|
| Cost: | |
| At 1 June 2004 | 1 |
| Disposals | 1 |
| At 31 May 2005 | - |

Oxxon Therapeutics Ltd's holding of 100% of ordinary shares in Oxxon Therapeutics Inc. was transferred to Oxxon Therapeutics Holdings Inc. on 31st May 2005

9. Tangible fixed assets

| | <i>Fixtures and Fittings</i> | <i>Plant & Machinery</i> | <i>WIP - Software Development</i> | <i>Total</i> |
|--------------------------|----------------------------------|----------------------------------|---|--------------|
| | £ | £ | | £ |
| Cost: | | | | |
| At 1 June 2004 | 243,710 | 545,537 | - | 789,247 |
| Additions | 2,986 | 27,984 | 12,910 | 43,879 |
| Disposals | - | (19,567) | - | (19,567) |
| At 31 May 2005 | 246,697 | 553,953 | 12,910 | 813,559 |
| Depreciation: | | | | |
| At 1 June 2004 | 32,495 | 127,050 | - | 159,545 |
| Provided during the year | 48,659 | 236,714 | - | 285,373 |
| Eliminated on disposal | - | (7,611) | - | (7,611) |
| At 31 May 2005 | 81,154 | 356,153 | - | 437,307 |
| Net book value: | | | | |
| At 31 May 2005 | 165,543 | 197,799 | 12,910 | 376,252 |
| At 1 June 2004 | 211,215 | 418,487 | - | 629,702 |

Notes to the financial statements

at 31 May 2005

10. Debtors

| | 2005 £ | 2004 £ |
|--|------------------|----------------|
| Amounts owed by fellow subsidiary undertakings | 786,781 | 180,145 |
| Other debtors | 1,065,956 | 782,916 |
| | <u>1,852,737</u> | <u>963,061</u> |

11. Creditors: amounts falling due within one year

| | 2005 £ | 2004 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | - | 439,920 |
| Other taxation and social security | 40,785 | 49,374 |
| Accruals and deferred income | 1,866,440 | 512,375 |
| | <u>1,907,225</u> | <u>1,001,669</u> |

12. Financial Commitments and Contingent Liabilities

Operating lease commitments expiring in the following years are:

| | 2005 £ | 2004 £ |
|--------------------------------|----------------|----------------|
| Land and Buildings: | | |
| Expiring within one year | 178,483 | 206,068 |
| In more than one to five years | 14,873 | 637,398 |
| In five years or more | - | - |
| | <u>193,356</u> | <u>843,465</u> |

The company has additional financial commitments of £650,000 under agreements for the in licensing of intellectual property. This has been accrued within the financial statements.

The company will incur a liability to Prof A Hill of £70,000, in 2005/06, contingent upon the success of its application for certain patents. A £60,000 provision has been made for this amount.

13. Pensions

The company has made contributions to the private pension schemes of certain employees during the year. The pension charge represents these contributions and amounts to £40,235 (2004: £41,058). The amount outstanding at the year-end was £9,472 (2004 - £nil).

Notes to the financial statements

at 31 May 2005

14. Related party transactions

The shareholders of the company include the University of Oxford. In the course of undertaking certain research the company contracts with the University for the provision of licences. All such arrangements are provided on an arm's length basis, and are the subject of formal agreements.

The group was restructured during the year so that Oxxon Therapeutics Ltd (OTL) is now a wholly owned subsidiary of Oxxon Therapeutics Holdings Inc (OTHI). At the same time direct ownership of Oxxon Therapeutics Inc (OTI) has been transferred from OTL to OTHI. OTL is currently funding OTI. The amount due from OTI at the year end for the inter-company current account was £88,394.

OTL also made a loan to OTI during the year. The balance on the loan account as at 31 May 2005 was £698,387.

The following other transactions with related parties have occurred during the year. These all relate to directors expenses and consultancy fees.

| <u>Related Party</u> | <u>Description</u> | <u>Transactions During the Year</u> | <u>Year end Balance</u> |
|------------------------|-----------------------------------|---|-------------------------|
| Prof Adrian Hill | Director | 110,000 | 95,000 |
| Geoffrey L Smith | Shareholder | 10,000 | - |
| Quester Services Ltd | Shareholder | 2,350 | - |
| MVM Ltd | Shareholder | 6,633 | - |
| Wardsend Services Ltd* | Company under Director control | 1,763 | - |

* Wardsend Services Ltd is controlled by Nick Cross.

Notes to the financial statements

at 31 May 2005

15. Share capital

| | | 2005 | Authorised 2004 |
|---------------------------------|--|----------------|--------------------|
| | | £ | £ |
| Ordinary shares of £0.01 each | | 134,500 | 42,712 |
| A Ordinary shares of £0.01 each | | 28,500 | 28,500 |
| B Ordinary shares of £0.01 each | | 63,288 | 63,288 |
| | | <u>226,288</u> | <u>134,500</u> |

| | No. | 2005 £ | Allotted, called up and fully paid 2004 £ |
|---------------------------------|-----------|---------------|---|
| Ordinary shares of £0.01 each | 7,042,700 | 70,427 | 1,063,950 |
| A Ordinary shares of £0.01 each | - | - | 2,275,000 |
| B Ordinary shares of £0.01 each | - | - | 3,703,750 |
| | | <u>70,427</u> | <u>70,427</u> |

The company entered into a Scheme of Arrangement which was approved by shareholders on 6 July 2004, and became effective on 30 July 2004. Under the scheme, Oxxon Therapeutics Ltd shareholders received one Oxxon Therapeutics Holdings Inc share for 1 share held in Oxxon Therapeutics Ltd.

To effect the Scheme, 7,042,700 new ordinary shares were issued, and the existing ordinary, A ordinary and B ordinary shares (1,063,950, 2,275,000 and 3,703,750 respectively) were cancelled.

In respect to the agreement on future investment decisions only, the A and B ordinary shares carry additional voting rights. For an investment decision to be made 75% of the votes of each of the A and B ordinary shareholders are required.

As regards any surplus capital remaining after liquidation, winding up or dissolution of the company, it shall be distributed in the following order of priority:

- first, the holders of the B ordinary shares shall be entitled in respect of their B ordinary shares to payment of an amount per share equal to the subscription price paid or credited as paid per B ordinary share; and
- second, the holders of the A ordinary shares and ordinary shares shall be entitled in respect of such shares to payment of an amount per share equal to the premium paid or credited as paid per A ordinary share; and
- thereafter any balance shall be paid to the holders of the A ordinary shares, B ordinary shares and ordinary shares pari passu and pro rata to the number of such shares held by each of them.

Notes to the financial statements

at 31 May 2005

15. Share capital (continued)

As regards Sale Proceeds:

a) first, in paying to the holders of the B ordinary shares who are selling shares on a sale an amount per share equal to the subscription price paid or credited as paid per B ordinary share being sold;

b) thereafter, any balance shall be paid to the holders of the A ordinary shares, B ordinary shares and ordinary shares who are selling shares on a sale pari passu and pro rata to the number of shares held and being sold by each of them.

In all other respects the ordinary shares and the "A" and "B" ordinary shares rank pari passu.

16. Reconciliation of shareholders' funds and movement on reserves

| | <i>Share capital</i> | <i>Share premium</i> | <i>Profit and loss</i> | <i>Total share-</i> |
|--|----------------------|----------------------|------------------------|-----------------------|
| | <i>account</i> | <i>account</i> | <i>account</i> | <i>holders' funds</i> |
| | £ | £ | £ | £ |
| At 31 May 2003 | 70,427 | 20,932,978 | (6,095,786) | 14,907,619 |
| Loss for the year | - | - | (3,152,344) | (3,152,344) |
| New equity share capital subscribed | - | - | - | - |
| At 31 May 2004 | 70,427 | 20,932,978 | (9,248,129) | 11,755,275 |
| Loss for the year | - | - | (5,569,570) | (5,569,570) |
| At 31 May 2005 | 70,427 | 20,932,978 | (14,817,700) | 6,185,705 |

17. Parent Undertakings

The company has entered into a Scheme of Arrangement which was approved by shareholders on 6th July 2004, and became effective on 30th July 2004. Under the scheme, Oxxon Therapeutics Ltd shareholders received one Oxxon Therapeutics Holdings Inc share for 1 share held in Oxxon Therapeutics Ltd. The company's ultimate parent company with effect from 30th July 2004 was Oxxon Therapeutics Holdings Inc., a company incorporated in the State of Delaware, United States. Prior to that date Oxxon Therapeutics Ltd was the ultimate parent company.

Copies of the financial statements of Oxxon Therapeutics Holdings Inc can be obtained from;

Oxxon Therapeutics Holdings Inc.
Old City Hall
45 School St
Boston
Massachusetts 02108-3296
United States